



13 March 2014

Agenda Item:4

REPORT OF THE SERVICE DIRECTOR (FINANCE & PROCUREMENT)

FUND VALUATION AND PERFORMANCE

Purpose of the Report

1. To report on the total value and performance of the Pension Fund to 31 December 2013.

Information and Advice

2. This report is to inform the Sub-Committee of the value of the Pension Fund at the end of the latest quarter and give information on the performance of the Fund over that quarter and the previous year. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position in relation to the Pension Fund. The exempt information is set out in the exempt appendix.
3. The table below shows a summary of the total value of the Fund as at 31 December 2013, together with the comparative position 3 and 12 months previously.

Quarter ended:	Latest Quarter		Previous Quarter		Previous Year	
	31 Dec 2013		30 Sep 2013		31 Dec 2012	
	£m	%	£m	%	£m	%
UK Fixed Interest	314	9%	322	8%	297	9%
Overseas Fixed Interest	84	2%	81	3%	89	3%
Inflation-Linked	58	2%	58	2%	58	2%
UK Equities	1,337	36%	1,270	35%	1,104	34%
Overseas Equities	1,300	35%	1,235	35%	1,087	34%
Private Equity	79	2%	78	2%	73	2%
UK Property	319	9%	324	9%	308	10%
Overseas Property	82	2%	84	3%	84	3%
Cash	105	3%	94	3%	86	3%
TOTAL	3,678	100%	3,547	100%	3,186	100%

4. The Fund has increased by £131 million (4%) since the previous quarter and is £492 million (15%) higher than the same period last year. The table below shows the provisional Fund Account for 2013/14 to the end of December along with the full year figures for 2012/13.

Summary Fund Account	2013/14 To 31/12/13 £000	2012/13 Full year £000
Employer contributions	(90,171)	(127,132)
Member contributions	(30,544)	(42,829)
Transfers in from other pension funds	(5,283)	(11,535)
Pensions	99,710	127,078
Commutation of pensions and lump sums	18,269	28,187
Lump sum death benefits	3,080	3,714
Payments to and on account of leavers	14,057	16,048
Administration Expenses	185	1,409
Net additions from dealings with members	9,303	(5,060)
Investment Income	(56,657)	(88,307)
Profits & losses on disposals & changes in value	(138,589)	(334,869)
Taxes on income	539	580
Investment management expenses	3,837	3,506
Net Returns on Investments	(190,870)	(419,090)
Net (increase)/decrease in net assets	(181,567)	(424,150)

5. Contributions from employers and employees total £120.7 million with £121.1 million paid out in pensions and lump sum payments. Net transfers out to other funds of £8.8 million result in an overall net cash outflow from members in the year to December. Net returns on investments total £191 million including investment income of £56.7 million. The cash flow position will continue to be closely monitored throughout the rest of the year.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That the report be noted.

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